

SECRETARY OF THE ARMY WASHINGTON NOV 0 7 2006

The Honorable Christopher J. Dodd United States Senate Washington, DC 20510

Dear Senator Dodd:

Thank you for your letter of October 12, 2006, to the Secretary of Defense, Honorable Donald Rumsfeld, concerning Army resources and readiness. Secretary Rumsfeld asked me to respond on his behalf.

The Nation continues to ask a great deal of the Army, and as you noted, our Soldiers are responding with extraordinary bravery and valor. It is imperative we do not take their service and sacrifices for granted. We must resource our Soldiers with the best training, equipment, and leadership that our Nation can offer, while at the same time provide them with a quality of life that is commensurate with the quality of their service.

I appreciate Congress' recent support, particularly for fully funding the Army's Fiscal Year 2007 reset requirement of \$17.1 billion in the fiscal year 2007 Defense Appropriations Act. Reset is critical to supporting the current fight, and it is vitally important to the future readiness of our Army. It is not a short-term requirement either. We will continue to require significant funds to repair, replace, and recapitalize our equipment for 2-3 years beyond the cessation of hostilities.

The scale of the Army's contribution to the current fight has strained all components of our force -- Active, Guard, and Reserve. The Quadrennial Defense Review calls for the Army to have 18 to 19 brigades available for deployment at all times. Due to existing requirements, we have surged well above this level for an extended period of time. We have done a great deal to minimize this strain, to include developing the Army Force Generation (ARFORGEN) Model to determine how to resource requests for Army forces. This model is based on predictable and assured access to reserve component units. It is important to understand that the deployment of reserve component forces is not an indication of a lack of readiness. Rather it is a fundamental part of our plan to resource Army requirements. It also represents a shift in the reserve component's role from a strategic reserve to an operational reserve.

Consistent with the authority provided by Congress in the National Defense Authorization Act for Fiscal Year 2007, the Army plans to grow to approximately 512,000 in 2008. This authority gives us the headroom both to transform the Army, and to increase the number of active duty brigade combat teams from 33 to 42. These initiatives have increased the operational Army from our pre-9/11 operational strength of

303,224 to 341,902 today. Our current plan is to increase the operational Army to 355,000 by Fiscal Year 2008. As always, the size of the Army will be reevaluated annually, and adjusted in accordance with operational demands.

Every 10,000 Soldiers added to the Army endstrength costs approximately \$1.2 billion per year. Funding for Army end-strength above 482,4000 is not included in the fiscal years 2008 – 2013 Program, and the Army simply cannot absorb an endstrength increase without a corresponding increase in resources. An unresourced endstrength increase would significantly exacerbate our continuous challenge to balance warfighting, readiness, reset, and modernization requirements.

As we developed the Fiscal Year 2008 budget, we worked closely with the Office of the Secretary of Defense to ensure that the resources the Army requires to support our National Security Strategy are clearly communicated and fully justified. Secretary Rumsfeld understands our requirements, and supports our efforts to balance the resources we receive with the requirements asked of us.

Ultimately, our Army's readiness, both today and tomorrow, depends on a national commitment to recruit, train, and equip our Soldiers, and to support their families – it is really a matter of National priorities, not affordability. At the height of the Second World War, Defense expenditures exceeded 38 percent of our Gross Domestic Product (GDP). Today, these expenditures amount to less than 4 percent of the GDP. In this extraordinarily dangerous time for the Nation, we can and must reverse this trend.

With the support of Congress, we have prepared the Army to operate in the 21st Century security environment. But as we look to Fiscal Year 2008 and beyond, we face significant challenges. I look forward to working together with the Congress as we address these important issues.

Thank you for your interest in the well-being of our Soldiers and their families and your continued support of our Army.

Sincerely,

Francis J. Harvey